



AGENIX LIMITED
ABN 58 009 213 754

REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2015

Agenix Limited
ABN 58 009 213 754
Report
for the half year ended 31 December 2015

TABLE OF CONTENTS

DIRECTORS' REPORT	1
AUDITORS INDEPENDENCE DECLARATION	4
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	5
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9
NOTE 1: SIGNIFICANT ACCOUNTING POLICIES	9
NOTE 2: REVENUE AND OTHER INCOME	10
NOTE 3: EXPENSES	10
NOTE 4: DISCONTINUED OPERATIONS	11
NOTE 5: TRADE AND OTHER PAYABLES	13
NOTE 6: FINANCIAL LIABILITIES	13
NOTE 7: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS	13
NOTE 8: ISSUED CAPITAL	14
NOTE 9: DIVIDENDS PAID OR PROPOSED	16
NOTE 10: RELATED PARTY TRANSACTIONS	16
NOTE 11: SEGMENT INFORMATION	17
NOTE 12: CONTINGENT LIABILITIES	18
NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE	18
NOTE 14: GOING CONCERN	18
DIRECTORS' DECLARATION	19
INDEPENDENT AUDITOR'S REVIEW REPORT	20

Agenix Limited
ABN 58 009 213 754
Report for the half year ended 31 December 2015

DIRECTORS' REPORT

Your directors submit the interim half year financial report of the consolidated group for the half-year ended 31 December 2015.

Directors

The names of directors who held office during or since the end of the half-year:

Mr Craig Chapman	Chairman and Chief Executive Officer
Mr Christopher McNamara	Non-Executive Director
Mr Adam Gallagher	Non-Executive Director & Company Secretary

Financial Position

As at 31 December 2015 the Group held cash of \$685,315. All borrowings previous advanced by both current and past Directors have been repaid in full. The total liabilities of the Group as at balance date amounted to \$59,922.

With no debt and all legacy items resolved, together with cash in bank, the Group's focus is now to complete an acquisition with near term revenues and profitability to increase shareholder value.

Principal Activities

The principal activities of the Group during the financial half year were:

- Continuing to review of all intellectual property owned by the Group;
- Identifying potential acquisition targets and undertaking substantial efforts in negotiating proposed deal terms and due diligence; and
- Completing the repatriation of funds from China and continuing the liquidation procedures of the Company's wholly owned subsidiary in China.

Review of Operations

As previously announced on 17 December 2015 and in the Company's 2015 Annual Report, the Company has been seeking and evaluating potential strategic acquisition opportunities. During the half year extensive due diligence was undertaken on numerous opportunities, none of which came to fruition which can be directly attributable to the uncertainty of the timing of repatriation of funds from China. The repatriation of funds was completed on 17 December 2015, and announced to the market on the same day, and as such the Company is now in a more advantageous position to consider opportunities which will assist the Company in achieving its objectives.

On 2 February 2016 Agenix entered into a secured note deed with CCP Holdings Pty Limited (CCP) (Note Deed), pursuant to which the Company has agreed to advance funds to CCP to be applied to the on-going working capital requirements of CCP. Under the terms of the Note Deed the maximum amount that can be drawn down is \$500,000 (Note Deed Facility). The Note Deed Facility is secured by way of a fixed and floating charge over all of the assets, including the intellectual property, held by CCP and bears interest at the rate of 10% per annum.

The Note Deed Facility is currently drawn to the amount of \$250,000 and CCP is able to seek to draw down the remaining balance of \$250,000, subject to monthly limits as set out in the Note Deed. The Note Deed Facility is repayable within 120 days, being on or before 1 June 2016 (Maturity Date), or at the option of CCP, can be converted into a secured loan that is repayable within 2 years in equal monthly instalments commencing on the

Agenix Limited
Half Year Report
31 December 2015
Directors' Report (cont'd)

Maturity Date. Agenix has the right to convert the note to equity in CCP at any time before the Maturity Date.

Under the Note Deed, the shareholders of CCP have made an offer for the sale of 100% of the shares in CCP to Agenix (Offer). The Company is currently in the process of undertaking due diligence investigations in respect of CCP and its operations to determine whether to accept the Offer. The Company must accept or reject the Offer by 18 March 2016

Should the Company accept the Offer; the Company will enter into formal transaction documentation which will contain all terms of the transaction. Any proposed transaction that is entered into with CCP will be subject to, among other things, the Company obtaining all relevant approvals from its shareholders in general meeting, as well as obtaining any and all approvals required by ASX and ASIC.

In the event that the Offer is accepted, the Company expects that it will undertake a capital raising to ensure that the business has sufficient capital to meet its objectives in the near to medium term. Details of any proposed capital raising will be made available to the shareholders as soon as further information is available.

CCP operates in the business of a smart tag critical control point technology network which captures, interprets and moves data through any connected device such as a smart phone, tablet, PC, telematics device or wireless hotspot. The CCP wireless network deploys low-cost plug & play tags to deliver information about almost anything directly to connected devices via Bluetooth or Wi-Fi. The directors are currently pursuing this opportunity as they consider that CCP may offer synergies with the Company's existing operations and business goals and may offer an opportunity to accelerate the Company's path to revenue. However shareholders should be aware that there is no guarantee that the Company will accept the Offer.

Further details will be provided as the Company continues to pursue this opportunity with a view to formalising a transaction.

Financial Overview

The loss after tax is \$128,677 compared with the previous half-year loss of \$499,309. The Group recognised a foreign exchange gain of \$174,701 upon the repatriation of capital from China in accordance with the accounting standards which substantially reduced the loss for the half year. The comparative information has been restated as a result of discontinued operations in accordance with the accounting standards.

The major contributors to the loss for the half-year were:

	Dec 15	Dec 14
	\$	\$
Employee benefit expense	(104,311)	(154,714)
Corporate and administration expenses	(85,394)	(152,135)
Discontinued operations	(96,042)	(205,499)

Discussion on Financial Performance

The Statement of Financial Position shows that total liabilities as at 31 December 2015 were \$59,922 (30 June 2015: \$846,100). Following the repatriation of capital from China all loans from current and past Directors were repaid. The Group continues to monitor costs and reduce expenditure where ever possible.

Unlisted Options

No unlisted options have been issued, exercised or have lapsed during the half year.

Listed Options

No listed options have been issued, exercised or have lapsed during the half year.

Agenix Limited
Half Year Report
31 December 2015
Directors' Report (cont'd)

Issued Capital

During the half year ended 31 December 2015 the following ordinary securities have been issued.

Date	Purpose	Ordinary Securities issued	\$
1/11/2015	Issue of securities in lieu of directors fees	3,172,413	46,000
1/11/2015	Issue of securities in lieu of directors fees	2,199,779	32,000
1/11/2015	Issue of securities in lieu of directors fees	2,199,779	32,000
1/11/2015	Issue of securities in lieu of legal fees	689,655	10,000
1/11/2015	Corporate advisory fees	517,241	7,500
1/11/2015	Issue of securities pursuant to OKS settlement agreement	821,000	11,905

Since the end of the half year ended 31 December 2015 no ordinary securities have been issued.

Dividend

No dividends have been paid or declared during the period under review or till the date of this report.

Auditor's Independence Declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2015.

This report is signed in accordance with a resolution of the Board of Directors.



Craig Chapman, Executive Chairman and Chief Executive Officer
Dated this 29th day of February 2016

**Agenix Limited
Half Year Report
31 December 2015
Auditor's Independence Declaration**



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF AGENIX LIMITED

As lead auditor for the review of Agenix Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Agenix Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'C R Jenkins', with a stylized flourish at the end.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 29 February 2016

Agenix Limited
ABN 58 009 213 754
Half Year Report
31 December 2015

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Note	Consolidated Group Half year ended	
		31 Dec 2015	31 Dec 2014
		\$	Restated \$
Revenue	2	9,810	2,024
Corporate and administration expenses		(85,394)	(152,135)
Depreciation and amortisation expense	3	-	(516)
Employee benefit expense	3	(104,311)	(154,714)
Fair value of OKS settlement	8	(11,905)	-
Finance costs	3	(27,544)	(14,619)
Foreign exchange gains - unrealised		12,404	29,337
Foreign exchange losses	3	(396)	(2,833)
Foreign exchange gain on capital repatriation - China		174,701	-
Share based payment expense		-	(354)
Loss before income tax from continuing operations		(32,635)	(293,810)
Income tax expense		-	-
Loss for the period from continuing operations	2,3	(32,635)	(293,810)
Loss after income tax from discontinued operations	4	(96,042)	(205,499)
Loss for the period after income tax expense		(128,677)	(499,309)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign controlled entities		(177,282)	204,440
Other comprehensive income for the period, net of tax		(177,282)	204,440
Total comprehensive income for the period		(305,959)	(294,869)
Loss per share from continuing operations attributable to the owners of Agenix Limited			
Basic and diluted earnings	8	(\$0.0002)	(\$0.0023)
Loss per share from discontinued operations attributable to the owners of Agenix Limited			
Basic and diluted earnings	8	(\$0.0007)	(\$0.0015)
Loss per share from attributable to the owners of Agenix Limited			
Basic and diluted earnings	8	(\$0.0009)	(\$0.0038)

The accompanying notes should be read in conjunction with these financial statements.

Agenix Limited
ABN 58 009 213 754
Half Year Report
31 December 2015

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

		31 Dec 2015	30 June 2015
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		685,315	1,668,559
Trade and other receivables		-	15,003
Prepayments		56,772	-
		<u>742,087</u>	<u>1,683,562</u>
Assets of discontinued operations classified as held for sale		-	11,257
TOTAL CURRENT ASSETS		<u>742,087</u>	<u>1,694,819</u>
TOTAL ASSETS		<u>742,087</u>	<u>1,694,819</u>
CURRENT LIABILITIES			
Trade and other payables	5	46,985	161,158
Financial liabilities	6	-	680,300
		<u>46,985</u>	<u>841,458</u>
Liabilities directly associated with assets classified as held for sale	4	12,937	4,642
TOTAL CURRENT LIABILITIES		<u>59,922</u>	<u>846,100</u>
TOTAL LIABILITIES		<u>59,922</u>	<u>846,100</u>
NET ASSETS/(LIABILITIES)		<u>682,165</u>	<u>848,719</u>
EQUITY			
Issued capital	8	77,594,403	77,454,998
Share based payment reserve		4,663,998	4,663,998
Foreign currency translation reserve		-	177,282
Accumulated losses		(81,576,236)	(81,447,559)
TOTAL EQUITY		<u>682,165</u>	<u>848,719</u>

The accompanying notes should be read in conjunction with these financial statements.

Agenix Limited
ABN 58 009 213 754
Half Year Report
31 December 2015

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Issued capital	Accumulated losses	Share based payment reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2014	77,190,398	(80,364,113)	4,663,636	(102,842)	1,387,079
Loss for the period -	-	(499,309)	-	-	(499,309)
Other comprehensive income	-	-	-	204,440	204,440
Total comprehensive income	-	(499,309)	-	204,440	(294,869)
Transactions with owners in their capacity as owners					
Share based payments	-	-	354	-	354
Balance at 31 December 2014	77,190,398	(80,863,422)	4,663,990	101,598	1,092,564
Balance at 1 July 2015	77,454,998	(81,447,559)	4,663,998	177,282	848,719
Loss for the period	-	(128,677)	-	-	(128,677)
Other comprehensive income	-	-	-	(177,282)	(177,282)
Total comprehensive income	-	(128,677)	-	(177,282)	(305,959)
Transactions with owners in their capacity as owners					
Share based payments	139,405	-	-	-	139,405
Balance at 31 December 2015	77,594,403	(81,576,236)	4,663,998	-	682,165

The accompanying notes should be read in conjunction with these financial statements.

Agenix Limited
ABN 58 009 213 754
Half Year Report
31 December 2015

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015

	Consolidated Group	
	Half year ended	
	31 Dec 2015	31 Dec 2014
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,362	2,016
Payments to suppliers and employees	(386,053)	(420,591)
Payments related to research and development	-	(72,043)
Interest received	3,052	2,529
Finance costs	(27,818)	(14,009)
Net cash (used in)/provided by operating activities	(404,457)	(502,098)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of intellectual property	-	2,079,124
Payment for costs of sale of intellectual property	-	(238,501)
Net cash (used in)/provided by investing activities	-	1,840,623
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Proceeds from borrowings	90,500	345,582
Repayment of borrowings	(690,500)	(95,582)
Net cash (used in)/provided by financing activities	(600,000)	250,000
Net increase (decrease) in cash held	(1,004,457)	1,588,525
Cash and cash equivalents at beginning of period	1,668,559	27,944
Effect of exchange rates on cash holdings in foreign currencies	21,213	232,267
Cash and cash equivalents at end of period	685,315	1,848,736

The accompanying notes should be read in conjunction with these financial statements.

Agenix Limited
Half Year Report
31 December 2015

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report together with any public announcements made during the half-year.

(a) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2015 annual financial report for the financial year ended 30 June 2015.

(b) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a major line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the profit or loss and other comprehensive income. Where a decision is made to treat a major line of business or area of operations as discontinued the comparative information is restated to reflect as if that major line of business or area of operations had been discontinued in the prior period.

(c) Going concern

The Group's financial statements have been prepared and presented on a basis assuming it continues as a going concern.

During the half-years 31 December 2015 and 31 December 2014, the Group incurred an operating loss before tax and net cash outflows from operating activities as disclosed in the consolidated statement of profit and loss and comprehensive income and statement of cash flows. Details of the ability of the Group to continue as a going concern are set out in Note 14.

Agenix Limited
Half Year Report
31 December 2015

Consolidated Group
Half year ended
31 Dec 2015 31 Dec 2014
Restated

NOTE 2: REVENUE AND OTHER INCOME

Revenue

	\$	\$
Licence fees - intellectual property	6,758	2,024
Interest received and receivable - bank	3,052	-
	<u>9,810</u>	<u>2,024</u>

NOTE 3: EXPENSES

a. Significant items

The following expense items are relevant in explaining the financial performance for the half-year:

Employee benefit expense	104,311	154,714
Reversal of impairment – intellectual property	(174,701)	-
	<u>(70,390)</u>	<u>154,714</u>

b. Employee benefit expense

Salaries and fees	107,353	143,637
Short term incentives	-	-
Compulsory superannuation and employee welfare expense	(3,108)	4,840
Salary on costs	66	6,237
	<u>104,311</u>	<u>154,714</u>

c. Finance costs

Interest paid or payable on unsecured loans	27,544	14,169
---	--------	--------

d. Depreciation and amortisation expense

Depreciation of noncurrent assets	-	516
Amortisation of noncurrent assets	-	-
	<u>-</u>	<u>516</u>

e. Foreign exchange losses

Realised foreign exchange gains /(losses)	(396)	(2,833)
Unrealised foreign exchange gains/ (losses)	12,404	29,337
	<u>12,008</u>	<u>26,504</u>

Agenix Limited
Half Year Report
31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 4: DISCONTINUED OPERATIONS

In December 2015 the funds held by Agenix Biopharmaceutical (Shanghai) Co Limited (ABSL) were successfully repatriated to Australia as a return of capital. ABSL is currently in liquidation. Under Chinese law, the Directors of ABSL remain in control and liable until the liquidation is completed. Whilst only formal procedures remain to be completed, loss of control will not occur until completion which is expected to be finalised by 31 March 2016. As at balance date ABSL continues to be consolidated in accordance with accounting standards. As stated in the 2015 Annual Report the intellectual property of Thromboview is being offered for sale and as such is treated as discontinued operations in accordance with accounting standards. At the date of this report effort to find a purchaser for Thromboview has proved unsuccessful. The Group continues to seek a buyer for this intellectual property.

Financial Performance Information	China	Thromboview	Total	China	Thromboview	Total Restated
	31 Dec 2015	31 Dec 2015	31 Dec 2015	31 Dec 2014	31 Dec 2014	31 Dec 2014
	\$	\$	\$	\$	\$	\$
Interest received	-	-	-	2,529	-	2,529
Total revenue	-	-	-	2,529	-	2,529
Unrealised foreign exchange gains/ (losses)	-	(63)	(63)	(22,506)	-	(22,506)
Research and development	-	-	-	-	(10,558)	(10,558)
Employee benefit expense	(1,315)	-	(1,315)	(86,276)	-	(86,276)
Corporate expenses	(77,544)	(17,120)	(94,664)	(28,563)	(3,240)	(31,803)
Disposal costs of AGX-1009	-	-	-	(56,885)	-	(56,885)
Total expenses	(78,859)	(17,183)	(96,042)	(194,230)	(13,798)	(208,028)
Loss before income tax	(78,859)	(17,183)	(96,042)	(191,701)	(13,798)	(205,499)
Income tax expense	-	-	-	-	-	-
Loss after income tax expense on discontinued operations	(78,859)	(17,183)	(96,042)	(191,701)	(13,798)	(205,499)

Agenix Limited
Half Year Report
31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 4: DISCONTINUED OPERATIONS (continued)

	China	Thromboview	Total	China	Thromboview	Total
	31 Dec 2015	31 Dec 2015	31 Dec 2015	31 Dec 2014	31 Dec 2014	31 Dec 2014
	\$	\$	\$	\$	\$	\$
Cash flow information						
Net cash flows used in operating activities	(76,023)	(12,937)	(88,960)	(239,642)	(19,011)	(258,653)
Net cash flows from investing activities	-	-	-	1,840,623	-	1,840,623
Carrying amounts of assets and liabilities disposed	31 Dec 2015	31 Dec 2015	31 Dec 2015	30 June 2015	30 June 2015	30 June 2015
	\$	\$	\$	\$	\$	\$
Assets						
Trade and other receivables	-	-	-	3,464	-	3,464
Prepayments	-	-	-	2,389	-	2,389
Security deposits	-	-	-	5,404	-	5,404
Total assets	-	-	-	11,257	-	11,257
Liabilities						
Trade and other payables	-	12,937	12,937	-	4,642	4,642
Total Liabilities	-	12,937	12,937	-	4,642	4,642
Net Assets	-	(12,937)	(12,937)	11,257	(4,642)	6,615

Agenix Limited Half Year Report 31 December 2015

Consolidated Group

31 Dec 2015 30 June 2015

\$ \$

NOTE 5: TRADE AND OTHER PAYABLES

Trade payables	4,979	47,453
Sundry payables and accrued expenses	42,006	113,705
	46,985	161,158

NOTE 6: FINANCIAL LIABILITIES

Unsecured loan from current and past directors	-	680,300
	-	680,300

During the half year ended 31 December 2015 the Directors and or their associated entities advanced a further \$90,500 by way of unsecured loans pending receipt of funds from China as assist with the working capital requirements in Australia. Following the successful repatriation of capital funds from China in December 2015 all unsecured loans from current and past Directors were repaid in full.

NOTE 7: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

At 31 December 2015 the group did not have any financial instruments that were measured using the fair value measurement hierarchy.

The aggregate fair values of all financial assets and liabilities approximate their carrying values at the balance date.

Agenix Limited
Half Year Report
31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

	Consolidated Group	
	31 Dec 2015	31 Dec 2014
	\$	\$
NOTE 8: ISSUED CAPITAL		
Ordinary securities	77,594,403	82,609,361
Less: Escrowed securities to SHRG vendors (i)	-	(5,418,963)
Ordinary securities	<u>77,594,403</u>	<u>77,190,398</u>
Movement in ordinary securities on issue	\$	Number
Balance 1 July 2014	77,190,398	130,947,876
Balance 31 December 2014	<u>77,190,398</u>	<u>130,947,876</u>
Issue of securities in lieu of directors fees	46,000	3,172,413
Issue of securities for services rendered	20,000	1,670,386
Issue of securities in settlement of OKS AGX Inc. dispute (ii)	198,600	13,240,000
Balance 30 June 2015	<u>77,454,998</u>	<u>149,030,675</u>
Cancellation of securities SHRG Vendors (i)	-	(1,354,741)
Issue of securities in lieu of directors fees	110,000	7,571,972
Issue of securities for services rendered	17,500	1,206,897
Issue of securities pursuant to OKS Settlement agreement (ii)	11,905	821,000
Balance 31 December 2015	<u>77,594,403</u>	<u>157,275,803</u>

- (i) The securities of SHRG vendors were in escrow. The Company entered into a loan agreement in 2007 whereby the loan plus interest of 8% per annum is payable in full on sale of the securities. The Company is required to pay the net proceeds after netting off the amount of the shareholder loan plus accrued interest to the date of sale outstanding in relation to those securities to the security holder. On 18 September 2015 the Company cancelled 1,354,741 ordinary securities which were allotted by way of loan. The Board determined that it was in the best interests of the Company and Shareholders to cancel these securities in accordance with Clause 5.8 of the Company's Constitution.

The loan had not been recorded in the Consolidated Statement of Financial Position as the securities related to the transaction had not been paid in full and were held in escrow. Interest receivable had not been accrued as the Board had formed the view that the amount was not recoverable.

Agenix Limited Half Year Report 31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8: ISSUED CAPITAL (continued)

- (ii) In May 2015 shareholder approval was granted to issue 13,240,000 ordinary securities to OKS AGX Inc. This approval formed part of the settlement deed entered into by the Company with OKS AGX Inc. in full settlement of all claims arising from the 2007 placement arranged by the previous board and management. No cash proceeds were received in consideration of these securities. In accordance with AASB 2 Share based payment a fair value was required to be assigned to this transaction. Where a fair value cannot estimate reliably the fair value of the goods or services received, the company was required to measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The settlement further provides that upon being allotted and issued the securities that OKS will be allotted and issued further ordinary securities for a period of up to two years or to a point immediately preceding the Company entering into a merger or acquisition transaction, whichever occurs first in time. The Company therefore issued securities during the period to meet its obligations under the settlement deed and a share based payment fair value assigned to this transaction in accordance with AASB 2.

Earnings per security

Basic earnings per security amounts are calculated by dividing the net profit (loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary securities outstanding during the period.

The following The following income and security data has been used in the basic and diluted earnings per security computations:

	Consolidated group	
	Half year ended	
	31 Dec 2015	31 Dec 2014
	\$	\$
		Restated
Loss after income tax from continuing operations	(32,635)	(293,810)
Loss after income tax from discontinued operations	(96,042)	(205,499)
Loss attributed to owners of Agenix Limited	(128,677)	(499,309)
	31 Dec 2015	31 Dec 2014
	Number	Number
Weighted average number of used in calculation of the basic earnings per security	150,946,219	130,947,876
Weighted average number of used in calculation of the diluted earnings per security	150,946,219	130,947,876

Agenix Limited Half Year Report 31 December 2015

NOTE 9: DIVIDENDS PAID OR PROPOSED

	31 Dec 2015	31 Dec 2014
	\$	\$
Dividend paid during the half-year relating to the prior year	Nil	Nil
Dividends proposed and not recognised as a liability	Nil	Nil
	Nil	Nil

NOTE 10: RELATED PARTY TRANSACTIONS

The following material transactions occurred during the half year with related parties:

	Consolidated group Half year ended	
	31 Dec 2015	31 Dec 2014
	\$	\$
Unsecured Loans from Directors bearing interest at 8% per annum and repayable on receipt of repatriation of funds from the capital proceeds from China.	90,500	-
Repayment of unsecured loans from current and previous directors and or their related parties following repatriation of funds from the capital proceeds in relation China.	(690,500)	-
Interest paid to current and previous directors and or their related parties following repatriation of funds from the capital proceeds in relation China.	27,544	-
Issue of securities, approved by shareholders at the 2015 annual general meeting in full satisfaction of 2016 directors' fees in lieu of cash.	110,000	-
Unsecured loans from Directors and or parties related to Directors and senior management bearing interest at 8% per annum repayable upon receipt of sale proceeds from AGX-1009	-	95,582
Repayment of unsecured from Directors and or parties related to Directors and senior management bearing interest at 8% per annum upon receipt of sale proceeds from AGX-1009	-	(95,582)
Unsecured loans from Directors and or parties related to Directors and senior management bearing interest at 8% per annum repayable 28 February 2015.	-	250,000

Agenix Limited
Half Year Report
31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 11: SEGMENT INFORMATION

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

In prior years the CODM determined that Agenix had three main operating segments:

- AGX -1009
- Thromboview®
- DiagnostiQ®

AGX -1009 was sold in April 2014 and proceeds received in August 2014.

Shareholder holder approval was granted in May 2015 for Thromboview® to be assigned to OKS AGX Inc. at their discretion in settlement of all claims relating to the 2007 share placement and the subsequent writ lodged with the Supreme Court of Victoria. In July 2015 Agenix received formal notification from OKS AGX Inc. that that it has exercised its discretion under the settlement deed not to proceed with the assignment of Thromboview®. As a result the CODM have determined that renewed efforts be undertaken to offer the project for sale and as a result it is treated as being part of discontinued operations as at balance date.

DiagnostiQ® has been placed into "care and maintenance mode". No revenue was earned or expenditure incurred in respect of DiagnostiQ® during the half year.

The CODM have determined that Agenix now operates in one segment being seeking strategic alternatives with a view to increasing shareholder value and near term revenues. The Group does not have any products/services from which it derives significant revenue. All significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole.

Agenix Limited

Half Year Report

31 December 2015

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 12: CONTINGENT LIABILITIES

As at the date of this report the Directors are not aware of any contingent liabilities that now exist. All previous contingent liabilities have been extinguished by way of deed of settlement. In the event the Company does not meet its obligations under the settlement deed a future contingent liability may arise. The Directors have taken steps to ensure that the obligations of the settlement deed are met in accordance with that deed.

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

On 2 February 2016 the Company entered into a secured note deed with CCP Holdings Pty Limited (CCP) (Note Deed) pursuant to which the Company has agreed to advance funds to CCP to be applied to the on-going working capital requirements of CCP. Under the terms of the Note Deed, the maximum amount that can be drawn down by CCP is \$500,000 (Note Deed Facility). The Note Deed Facility is secured by way of a fixed and floating charge over all the assets including the intellectual property held by CCP and bears interest at the rate of 10% per annum. The Note Deed Facility is currently drawn to the amount of \$250,000 and CCP is able to seek to draw down the remaining balance of the Note Deed Facility being \$250,000, subject to monthly limits as set out in the deed. The Note facility is repayable within 120 days, being on or before 1 June 2016 (Maturity Date) or at the option of CCP, can be converted into a secured loan repayable within 2 years in equal monthly instalments commencing on the Maturity Date. The Company has the right to convert the note to equity in CCP at any time before the Maturity Date.

NOTE 14: GOING CONCERN

The Group's financial statements have been prepared and presented on a basis assuming it continues as a going concern.

The Group has reported a loss for the period ended 31 December 2015 totalling \$128,677 (2014: Loss \$499,309) from operations. At 31 December 2015, the Group had cash at bank totalling \$685,315 and net assets of \$682,165.

Subsequent to the half year end, the Group entered into a convertible note, to provide up to \$500,000 to CCP on the terms set out in the agreement, of which only \$250,000 has been provided the details of which are set out in Note 13. As a result this reduces the available cash resources of the Group to meet its future commitments.

Whilst the directors have instituted measures to preserve cash and secure additional finance as described below, these circumstances create material uncertainties over future trading results and cash flow that may cast significant doubt on the Group's ability to continue as a going concern. The Group's ability to continue as a going concern is dependent on one or more of the following:

- continued financial support from directors and existing creditors;
- ability to raise additional capital;
- ability to settle current liabilities with equity.

Should the above not be successful, significant doubt will be cast on the Group's ability to continue as a going concern. The Directors reasonable expectations are, the progress of placing additional shares available by way of a raising and if required obtaining loan funds from the Directors as in the past will provide the Group with sufficient funds to enable the Group to continue as a going concern until a key milestone event is completed.

**Agenix Limited
Half Year Report
31 December 2015**

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



Craig Chapman
Director

Dated this 29th day of February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Agenix Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Agenix Limited, which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Agenix Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Agenix Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Agenix Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 14 in the half-year financial report which indicates that the consolidated entity incurred a loss from continuing operations of \$128,677 during the half-year ended 31 December 2015. The ability of the consolidated entity to continue as a going concern is dependent on its ability to obtain continued financial support from directors and creditors, raise additional capital or settle current liabilities with equity. These conditions, along with the other matters as set out in Note 14, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit Pty Ltd



C R Jenkins

Director

Brisbane, 29 February 2016